

Article - Business Regulation

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§14–229.

(a) In connection with an offer to sell or sale of a franchise, a person, directly or indirectly, may not:

- (1) employ a device, scheme, or artifice to defraud;
- (2) make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading; or
- (3) engage in an act, practice, or course of business that operates or would operate as a fraud or deceit on another person.

(b) A person who willfully sells a franchise knowingly violating this section is guilty of a felony and, on conviction, is subject for each violation to a fine not exceeding \$10,000 or imprisonment not exceeding 5 years or both.

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